

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

--	--	--	--	--	--	--	--	--	--

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BCP3054 – COMPARATIVE ECONOMICS

(All sections / Groups)

7 MARCH 2016

9.00 a.m. - 11.00 a.m.

(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **TWO (2)** printed pages with **FOUR (4)** structured questions.
2. Marks are shown at the end of each question.
3. Write all your answers in the answer booklet provided.
4. Answer all questions.

Question One (25 marks)

- (a) Adam Smith argued that if individuals were given free rein to pursue their own selfish interests, the invisible hand of competitive markets would cause them to behave in a socially responsible manner. Discuss.
(8 marks)
- (b) Using the production possibilities frontier (PPF) diagram, compare and contrast static and dynamic efficiencies.
(11 marks)
- (c) According to Marx, as Lenin later elaborated, socialism would evolve in two stages. Critically evaluate the **TWO (2)** stages.
(6 marks)

Question Two (25 marks)

- (a) Elaborate how the Central Planning Board (CPB) will set price in a planned socialist economy by Lange's trial and error pricing method.
(6 marks)
- (b) Why is the United States' labour market considered as 'flexible'?
(6 marks)
- (c) How does Confucianism impact on the role of governments in Asia? Discuss with respect to the history of governments in Asia.
(13 marks)

Question Three (25 marks)

- (a) How is foreign trade conducted in the Soviet Union?
(5 marks)
- (b) Describe the regional competition and experimentation that occurred in China's M-form and compare it with the Soviet Union's way of organizing the government.
(20 marks)

Question Four (25 marks)

- (a) Critically analyse the importance of initial conditions of planned economies in determining the success of privatisation.
(10 marks)
- (b) The principles prohibition of interest rates, the *zakat* system and Islamic moral norms have impacts on the economies of countries that practice these principles. Elaborate.
(15 marks)

End of Page